

Message Text

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ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-08 TRSE-00 CIAE-00
DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01 SP-02
/038 W

-----113038 281158Z /53

P 281114Z JUL 77

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC PRIORITY 4648

INFO AMEMBASSY BELGRADE PRIORITY

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E.O. 11652: N/A

TAGS: EEWT, RO

SUBJ: UPI PRESS RELEASE REGARDING ISLAND CREEK COAL CONTRACT

REF: STATE 176283

1. EMBASSY RECEIVED TELEX INQUIRY IN JULY 26 FROM OCCIDENTAL PETROLEUM ON SOURCE OF UPI JULY 25 PRESS RELEASE. IN OUR RESPONSE WE POINTED OUT THAT OCCIDENTAL'S JUNE 11 PRESS RELEASE WAS WIDELY CIRCULATED AMONG INDUSTRIALIZED COUNTRY EMBASSIES IN BUCHAREST. UPI REPORTER DOYLE MCMANUS (RESIDENT IN BELGRADE), WHO WAS IN BUCHAREST WEEK OF JULY 18 TO COVER VIII WORLD GAMES FOR THE DEAF, MUST HAVE SEEN A COPY OF OCCIDENTAL'S PRESS RELEASE. WHILE MCMANUS DID COME TO THE EMBASSY, HE DID NOT TALK TO ANY OFFICER IN THE ECONOMIC SECTION.

2. ACCORDING TO WHAT MCMANUS TOLD P&C, HE WAS ONLY TO BE IN BUCHAREST ON JULY 18 AND 19,. ON JULY 18 HE TALKED BRIEFLY AND ON GENERAL MATTERS WITH PRESS ATTACHE. REGARDING HIS INTEREST IN THE ISLAND CREEK CONTRACT, THE PRESS ATTACHE REFERRED HIM TO THE ECONOMIC SECTION. MCMANUS, HOWEVER, DID NOT FOLLOW THIS UP AND THUS HAD NO CONTACT WITH THE ECONOMIC COMMERCIAL SECTION.

3. DURING JULY 23 LUNCH FOR COMMERCE DEPARTMENT DAS REICH

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HOSTED BY MFT DEPUTY MINISTER MARGARITESCU, AMBASSADOR USED OCCASION TO UP-DATE MARGARITESCU ON STATUS OF TAX RULING FOR ISLAND CREEK CONTRACT. POINTS MADE WERE: TAX RULING PROCEDURE IS RELATIVELY ROUTINE ONE; WE EXPECT THAT TAX RULING WILL BE ISSUED IN TWO AND A HALF TO THREE MONTHS; IMPORTANCE OF CLOSE CONTACT
T
ON PART OF ROMANIAN EMBASSY IN WASHINGTON WITH US LAWYERS DURING

THIS PERIOD WAS STRESSED. AMBASSADOR ALSO ADDED OUR HOPE THAT FAVORABLE IRS RULING WOULD BE FORTHCOMING.

4. IN JULY 28 PHONE CONVERSATION WITH MFT'S FOTA (WHO WAS AWARE OF UPI PRESS RELEASE), COMATT CLARIFIED LACK OF EMBASSY ROLE IN UPI PRESS RELEASE AND REPEATED ABOVE POINTS. FOTA SAID HE WOULD PASS INFORMATION ON TO DPM PATAN 'WHO IN BUCHAREST FOR THE DAY). FOTA ADDED THAT MFT OFFICIALS HAD NOT THOUGHT THAT EMBASSY INVOLVED IN UPI REPORT (HE MADE ADDITIONAL REFERENCE TO FACT THAT UNDER US SYSTEM POOR PRESS REPORTING DOES OCCUR) AND THAT MINISTRY WELL AWARE OF USG POSITION ON ISLAND CREEK CONTRACT.

5. FOR BELGRADE: REQUEST YOU CONTACT UPI'S MAMANUS AND CLARIFY WITH HIM FACT THAT NEED FOR IRS TAX RULING IS ROUTINE PROCEDURE FOR CONTRACTS SUCH AS THE ISLAND CREEK ONE. ALSL POINT OUT THAT THIS IS LONG TERM SALES-PURCHASE CONTRACT AND THAT IS NOT AN INVESTMENT PROJECT.
BARNES

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: COAL, PRESS RELEASES, CONTRACTS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BUCHAR05620
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770270-0648
Format: TEL
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770711/aaaaaiqj.tel
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Litigation History:
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TAGS: EEWT, ENRG, RO, UPI, ISLAND CREEK
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